

COM FILE Budget / Fed Res

MEMORANDUM FOR: Deputy Director for Administration

FROM: Daniel A. Childs, Jr.
Comptroller

SUBJECT: Congressionally Directed Action from Senate Select Committee
on Intelligence

RAE -

1. In the unclassified report accompanying the Intelligence Authorization bill for FY 1989, the Senate Select Committee on Intelligence has expressed concern about the pace of implementation of Section 225 of the CIA Retirement Act and about limitations on benefits contained in that section. Accordingly, the Committee directs CIA to submit a report on the status of the Agency's implementation of Section 225 that identifies problems encountered in implementation and provides a timetable for completing program implementation. (A-IUO)

2. Please provide the requested report to us by 5 July 1988. We have attached a copy of your response to a similar request in the FY 1988 Intelligence Authorization Act that you may want to use as the basis for the new report (attachment A). (A-IUO)

3. The Committee has also directed CIA to submit a report that assesses the impact, in terms of both policy and resources, of eliminating the remarriage limitations in each of CIA's benefit programs. The report must include a comparative analysis of remarriage limitations in the Agency's retirement benefit programs and those of the military, civil service, and foreign service. Please provide the requested report to this Office by 16 September 1988. (A-IUO)

4. The appropriate passages from the unclassified Senate report bill are at attachment B. Please do not hesitate to call me or any member of my staff if we can be of assistance. (A-IUO)

STAT



Daniel A. Childs, Jr.

Attachments:
As stated

ADMINISTRATIVE-INTERNAL USE ONLY

RETIREMENT BENEFITS FOR CERTAIN FORMER SPOUSES

25X1 This report provides the status of CIA's efforts to carry out the provisions of Title IV, Section 401, of the FY 1988 Intelligence Authorization Act, which amends the CIA Retirement Act of 1964 to provide retirement benefits for certain former spouses. []

Recently revised Agency regulations authorize annuity benefits for certain former spouses divorced on or before 15 November 1982. The regulations outline annuity eligibility criteria, stipulate entitlement computations and the funding source for annuity payments, and provide commencement and termination dates for annuities awarded.

We are taking a number of steps to ensure that all those eligible for the former spouses' benefits are notified:

- In early March 1988 the Agency notified all known former spouses by letter of their lifetime annuity entitlement rights contained in the FY 1988 Intelligence Authorization Act.
- We also sent a notice of the changes to all Agency annuitants and published notices both for Headquarters and field personnel.
- A notice was published in the Federal Register on 18 March and in the legal notices section of The Washington Post on 20, 21, and 23 March.
- An employee bulletin describing the provisions of the former spouse legislation was issued Agencywide on 4 April.
- An item about the legislation will appear in the May or June issue of Modern Maturity magazine, a publication of the American Association of Retired Persons, and in the July newsletter of the CIA Retiree Association. []

25X1 We believe that the steps we have taken allow for the proper implementation of the program and that reasonable efforts are being made to inform former spouses of the benefits available to them. []

SECRET

BENEFITS FOR CERTAIN FORMER SPOUSES OF CIA EMPLOYEES

In the Intelligence Authorization Act for Fiscal Year 1988, Section 225 was added to Central Intelligence Agency Retirement Act of 1964 for Certain Employees. This section provided retirement benefits to the former spouses of certain CIA employees who were married to such employees before November 15, 1982, the effective date of the Central Intelligence Agency Spouses' Retirement Equity Act of 1982. This provision also required the Director of CIA to issue regulations to implement these provisions, and to attempt to notify former spouses who may be entitled to the benefits provided. Benefits were not to be payable unless written application had been made to CIA within thirty months of the effective date of the amendment.

Since this provision was enacted two problems have been brought to the attention of the Committee: one involving the pace of implementation, and the other a problem with a limitation on such benefits contained in the provision.

With respect to implementation of the provision, the Committee is advised that there is a considerable backlog of applications pending at CIA without sufficient staff personnel to handle them. We are also advised that the notice to former spouses who are entitled to apply for such benefits has yet to be sent to individuals (although notices have been published in newspapers). In either cases, the delay in implementing this provision may be resulting in benefits being denied former spouses in dire need. Accordingly, the Committee directs the Director of the Central Intelligence Agency to provide it by July 1, 1988, with a report setting forth the status of implementation of this provision, identifying problem areas, and providing a timetable for completion of the implementation of this program.

The Committee has also been advised that one of the limitations on eligibility for benefits contained in section 225, namely, the provision that former spouses who remarry before the age of 55 are not entitled to such benefits, may be causing hardships in some cases. Where remarriage would not result in improving the financial condition of such spouses, the loss of benefits provides a disincentive to marriage. Some former spouses who would have been entitled to such benefits remarried before section 225 was enacted, and therefore had no opportunity to consider the effect of this action upon their eligibility for retirement benefits.

Notwithstanding these concerns, the Committee recognizes that this type of limitation on benefits to former spouses exists in all of the benefit programs available to CIA employees. Indeed, a similar limitation on benefits applies in the case of spouses who have remained married to such employees. If the limitation were to be

eliminated for one category of benefit, it should seemingly be eliminated for all categories. The resource and policy impact of such action has not, however, been adequately evaluated. Accordingly, before considering further action in this regard, the Committee directs the Director of Central Intelligence to submit a report to the Committee by October 1, 1988, which analyzes the impact, in terms of both policy and resource requirements, of eliminating the "remarriage" limitations in each of CIA's benefit programs. This Report should also include a comparative analysis of CIA retirement programs with those of the military, civil service, and foreign service insofar as such remarriage restrictions are concerned.

SUBJECT: Congressionally Directed Action from the Senate Select Committee on
Intelligence

Distribution:

Original - Addressee

- 1 - C/MS/DA
- 1 - D/OP
- 1 - D/OCA
- 1 - OCA Senate
- 1 - OCA Registry
- 1 - COMPT Subject
- 1 - Compt
- 1 - D/Compt
- 1 - C/AG
- 1 - ANG Subject
- 1 - ANG Chrono

STAT

O/Compt/AnG, (21 June 1988) (Compt 88-890) (AnG #2491)